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News in Review

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"May has the potential to be a historic month for the hospitality sector, which is set for one of its busiest times in recent memory"



The Coronation of King Charles III was expected to bring an additional £180m to UK hospitality and leisure businesses over the long weekend, according to recent estimates from Barclays. The same report noted that almost three in five UK small and medium-sized businesses (SMEs) expect revenues to increase on a quarterly basis in Q2 2023.

James Hardiman of the British Retail Consortium commented, *"Retail sales are usually boosted by large national events. Given the King's Coronation will be such a historical event, we expect an even larger uptick."*

Alongside other major boosts for hospitality, including the May bank holidays and Eurovision Song Contest, taking place in Liverpool, the Coronation could be part of a bumper month for hospitality, analysts are predicting. Data from UKHospitality released at the start of the month estimated the total boost to the sector could be as high as £1bn.

Kate Nicholls, Chief Executive of UKHospitality, commented, *"May has the potential to be a historic month for the hospitality sector, which is set for one of its busiest times in recent memory. We know the British public turn out in their droves for big events and we expect the Coronation and Eurovision to be no different."*

Housing market shows recovery signs

Last Wednesday, data from Nationwide showed that UK house prices rose by 0.5% in April, an unexpected jump after seven consecutive monthly falls. As a result, the annual rate of house price growth was -2.7% in the month, a slight improvement from -3.1% in March.

Amid predictions of falling inflation, signs of an improving economic outlook and less pessimistic consumer sentiment, analysts are now discussing the possibility of *'a modest recovery in housing market activity.'*

Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said, *"While annual house price growth remained negative in April at -2.7%, there were tentative signs of a recovery with prices rising by 0.5% during the month (after taking account of seasonal effects). April's monthly increase follows seven consecutive declines and leaves prices 4% below their August 2022 peak."*

FCA stock listing rules

The Financial Conduct Authority (FCA) announced plans last week to simplify rules relating to stock market listings, a response to recent high-profile businesses opting to list in the US instead.

Hoping to attract more companies to list shares on UK stock markets, the FCA said its proposals would simplify regulations and help make the UK *'more competitive'*

with stock markets abroad. The proposals include replacing two listing categories with one and removing mandatory shareholder votes on transactions such as acquisitions.

Nikhil Rathi, Chief Executive of the FCA, said the new rules would *"make it easier for companies to join the market quicker."* Others have raised concerns about the erosion of shareholders' rights.

Retail sales flat

UK retail sales growth flatlined in April, according to the BRC-KPMG Retail Sales Monitor, which was updated on Tuesday. Total retail sales rose by 5.1%, repeating the rate of growth recorded a month earlier.

Food sales drove overall growth, with an increase of 9.8% on a total basis and 10% on a like-for-like basis over the three months to April. Non-food sales increased by 1.2% (total) and 0.8% (like-for-like), with in-store non-food sales rising by 3.9% (total) and 3.3% (like-for-like), compared to a 3.6% decline in online non-food sales.

After inflation fell by less than expected last month, supermarket chain Sainsbury's announced separately on Tuesday that it was reducing the prices of staple items such as bread and butter.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

***The value of investments can go down as well as up and you may not get back the full amount you invested.
The past is not a guide to future performance and past performance may not necessarily be repeated.
All details are correct at time of writing (10 May 2023)***